

45

**SUBMISSIONS**

BY

**Wheat Pool Organizations  
of Western Canada**

TO

**ROYAL GRAIN INQUIRY  
COMMISSION**

*At Calgary and Regina*  
*April—May, 1937*



## INTRODUCTION

**I**N this pamphlet will be found the submissions made by elected officers of the three Western Canadian Wheat Pool organizations to the Royal Grain Inquiry Commission during its sittings at Calgary and Regina in April and May, 1937.

The Commission, presided over by Mr. Justice W. F. A. Turgon of Saskatchewan, was appointed in 1936 by the Dominion Government to make an exhaustive study of grain marketing methods and problems.

About a dozen years had elapsed since the last inquiry of a similarly wide scope, also with Mr. Justice Turgon as chairman, made its report. In the intervening period the Pool experiment had been launched, and in this period, also, a new set of problems, connected with surplus grain conditions, had arisen. Hence the history of Pool marketing, and the difficult years beginning with 1929-30, received close attention from the present Commission.

The first Pool witness was Paul F. Brutt, President of Manitoba Pool Elevators Limited, who presented a detailed review of Pool operations since the inception of the three provincial organizations and the Central Selling Agency. He was followed at Calgary by George Bennett, a director of the Alberta Wheat Pool, who, speaking as a working farmer, gave his views on the wheat marketing problem. Finally, at Regina, representations on behalf of the three Western Wheat Pool organizations for a future marketing policy for Canada were made by John H. Wesson, President of the Saskatchewan Wheat Pool. Their combined evidence, including examination by counsel, occupied many days before the Commission.

Each of the three submissions are contained in this pamphlet.



# The Canadian Wheat Pools: Historical Review

SUBMISSION ON BEHALF OF THE POOL ORGANIZATIONS  
OF ALBERTA, SASKATCHEWAN AND MANITOBA

by

PAUL F. BREDT

*President, Manitoba Pool Elevators Limited*

**T**HE Wheat Pools of Western Canada are co-operative organizations formed for the purpose of handling and finding markets for grain produced by their farmer members, but also vitally concerned with all related activities which tend to improve the condition of Western agriculture.

The origin of the Wheat Pools goes back through forty years of Western Canadian agriculture to the days when grain growing on the prairies was in its infancy. Four decades of continuous effort on the part of producers to bring about reforms in the grain marketing system of Canada had resulted in the building up of large and successful co-operative grain handling organizations before the farmers ventured on a producers' co-operative grain marketing system. It was only the stern pressure of necessity which influenced the prairie producers to forsake the traditional individualism of the farmer and join together in their great co-operative elevator companies. Although the success of these farmer-owned and operated enterprises was spectacular, a large majority of the more individualistic farmers remained outside the ranks of the organized producers.

It was the demonstration of collective marketing by the operation of the Canadian Wheat Board in 1919-20 which brought home to every Western grain grower that the futures system was not essential to the successful marketing of wheat. It demonstrated clearly the advantages of pooling and the greater stability of Western farming, when all farmers received the average price for their wheat regardless of the time they delivered it. There has always been a strong sentiment among the wheat producers of Western Canada against the futures system, which in their opinion, determines the price of the grain they have to sell by public gambling. They consider that, as stated by a Canadian economist:

"Aside from the demoralization inseparable from wide-spread gambling, price instability is in itself an evil. It means that wider margins are necessary to offset possible losses not fully covered by 'hedges' in the trade. It also means that farming as a business has less stability. Unless an expert seller the individual farmer is likely to sell without consideration when prices are low. Some farmers will get high prices and some low but the risk of farming is increased."—*W. A. Mackintosh, "The Canadian Wheat Pools", Queens' Quarterly, Oct., Nov., Dec., 1926.*

## DEMAND FOR WHEAT BOARD

It was the handling of the 1919-20 wheat crop by the Canadian Wheat Board, coupled with the drastic decline in the price of wheat on the futures market upon the termination of the Board's operations, which brought about an insistent demand on the part of all those directly interested in Western agriculture for the re-establishment of the Wheat Board.

\$2.73  $\frac{1}{4}$  per bushel basis 1 Northern Fort William was the cash closing price of wheat on August 18th, 1920, the first day the Winnipeg futures market was reopened. By November 18 the cash price had declined by 60c to \$2.07  $\frac{1}{2}$  per bushel. On November 18, 1921, the cash price was \$1.11  $\frac{3}{4}$  per bushel, showing a drop of 96  $\frac{3}{4}$ ¢ in one year. On March 18, 1922, by which time practically all of the 1921 crop was out of the farmers' hands the price had returned to \$1.43  $\frac{3}{4}$  per bushel. Again by October 18th, 1922, the peak month for farmer deliveries, the price was again down to \$1.02  $\frac{1}{4}$  per bushel. On April 18, 1923, when once again 10th or no

wheat was in farmers' hands, the price was again up to \$1.32 per bushel, but at the peak of delivery on October 15, 1923, was back to 46 3/4c.

So great was the agitation carried on both by individual farmers and farmers' organizations generally, that a new political party known as the "Progressives", which had as one of its main planks the establishment of the Wheat Board, almost wiped out the other two parties in the three prairie provinces in the 1921 Dominion general election.

On November 16th, 1920, the Hon. Geo. Langley, Minister of Municipal Affairs in the Saskatchewan Government, moved and had carried a resolution which he introduced into the Legislature, calling upon the Dominion Government to take immediate steps to re-establish a Wheat Board to market the balance of the 1920 crop. (See Sessional papers, Province of Saskatchewan, 1920, Page 21.)

In December, 1920, the Canadian Council of Agriculture, which consisted of both the farmers' elevator companies, viz., the United Grain Growers and the Saskatchewan Co-operative Elevator Company, as well as the farmers' educational organizations, discussed fully the advisability of setting up a five year constant pool. As a result of this discussion the Grain Growers' Guide in its issue of December 15, 1920, published a copy of the proposed form of contract and commented favorably upon the proposed pooling plan.

In January, 1921, the Saskatchewan Government appointed a commission composed of Mr. James Stewart and Mr. Fred Riddell, Chairman and Vice-Chairman respectively of the 1919-20 Wheat Board, to investigate and advise the Government, among other questions upon the following:

1. Is it possible for any kind of pool comprising less than the whole of the Western wheat crop to market the crop to the same advantage from the producers' point of view as a system of national marketing of the whole crop by a Canadian Wheat Board?

2. What advantages to the producer over the present marketing system would there be in any kind of Pool which comprises only a portion of the crop? (See Stewart-Riddell report on "Wheat Marketing" published by King's Printer, Regina, 1921.)

Page 9 answers the first question in the negative;

On page 15 advantages of pooling grain over open market system are set forth:

"Other things being equal, pooling systems have the following advantages over the present systems of marketing:

"(1) Statistics show that under the present system 70 to 75 per cent. of the crop is thrown on the market during a period of three months. Under a pool, with proper financial and other support, the movement of the crop would be more evenly spread over the whole crop year, thereby undoubtedly avoiding gluts of grain, and consequent depression of prices, which usually occur during the first three months of the crop movement.

"(2) The more evenly regulated movement would stabilize prices to the consumer, as well as in favor of the producer, inasmuch as whilst, when the big movement of the crop is in progress, prices to consumers are usually low, this relatively low price continues only for three or four months.

"(3) The price of flour to consumers bears a direct relationship to the prevailing price of wheat, but flour prices invariably do not follow day to day fluctuations in the wheat market. Three-quarters of the farmers' wheat is marketed during a period of three months, at the beginning of the season, when the price of wheat usually is depressed. During the remaining nine months the tendency has always been for the price of wheat to ascend to higher levels, with the result that the producer only gets the benefit of the prevailing higher prices for the remaining quarter of his season's crop. The consumer, on the other hand, pays for his flour on the basis of current prices for wheat. Therefore, if as a rule the wheat market inclines to low levels during three months of the year, and to high levels during nine months of the year, because the bulk of the producers' wheat comes on the market in the shorter period, it would be to the advantage of the consumer, as well as the producer, if the delivery of that wheat crop could be more evenly spread over the entire 12 months. If this could be done, fluctuations in prices would be

lessened, and it is a well recognized fact that fluctuations in prices are detrimental either to the producer or consumer."

On page 20 the Commission said in conclusion: "We believe the most perfect form of centralized wheat marketing agency, at the present time, can be created only under the control of a national organization."

Nothing was done as a result of the Stewart-Riddell findings other than to create more intense interest upon the part of the farmers in centralized selling. This increasing interest found expression in many resolutions passed by Grain Growers' Locals all over the West, and the subject was exhaustively discussed at the Annual Conventions of the three provincial Grain Growers' Associations in 1922, when the following resolutions were passed:

**1. Province of Alberta:**

(a) The United Farmers of Alberta in annual session assembled at Calgary, in January, 1922, passed the following resolution:

"That the new Federal Government be urged to reinstate the Canada Wheat Board under the old management with James Stewart as Chairman, this Board to handle the wheat crop of 1922 and to continue to handle the crop until such time as world conditions again become normal."

(Sgd.) H. W. Higginbotham, *Secretary*.

**2. Province of Saskatchewan:**

(a) The Saskatchewan Grain Growers' Association in convention in February, 1922, passed the following resolution:

"Resolved that this Convention is in favor of the re-establishment of the Canada Wheat Board for the handling of the 1922 crop and until such time as world conditions again become normal;

"And further invite the former Chairman and Vice-Chairman of the Canada Wheat Board to resume the active management thereof."

(Sgd.) J. B. Musselman, *Secretary*.

(b) The annual meeting of the Saskatchewan Co-operative Elevator Company passed the following resolution, July, 1921: (This resolution was passed for three successive years.)

Mr. J. B. Musselman, General Secretary of the Saskatchewan Grain Growers' Association, moved:

"That this meeting is in favor of the re-instatement of the Canadian Wheat Board under the old management."

This was carried with only two dissentients.

**3. Province of Manitoba:**

(a) The United Farmers of Manitoba, in convention, in January, 1922, passed the following resolution:

"Whereas there is general dissatisfaction with the present system of marketing our grain; and whereas the deplorable condition of our agricultural industry is such that it demands the attention of the Federal Government to the need for national marketing of wheat and other grains; Therefore be it resolved that we urge upon the Dominion Government the necessity of re-establishing the Canada Wheat Board under the former management with the wide powers to sell wheat and other grains."

(Sgd.) W. R. Wood, *Secretary*.

As a result of the pressure upon the Dominion Government for the re-establishment of a Wheat Board, Parliament passed an Act (Ch. 14, 1922) providing for the setting up of a Dominion Board for a period of one year provided two or more Provincial Governments passed the necessary enabling legislation to make the operation of the Board effective in those provinces. The necessary enabling legislation was passed by the Governments of Saskatchewan and Alberta (S. of S., 1922, Special Session, and S. of A., 1922, Special Session), but as the Governments failed to secure a chairman for the Board no steps were taken to make the legislation operative.

## FORMATION OF POOLS

As a result of the failure of the Governments to secure a Board under the 1922

At last, the farmers turned their attention to the question of how they might effectively create and operate a Wheat Board without Government assistance.

While in setting up the Wheat Pools the producers did so primarily because of the governments' inability to re-establish a Wheat Board, the movement could not have possibly secured enough adherents, had it not been for the strong co-operative spirit among the farmers of Western Canada and the success achieved in grain handling by the farmers' co-operative elevator organizations.

It was the honest and sincere effort of producers to improve their standard of living and to obtain for themselves a larger share of each dollar the consumer paid for wheat, which inspired them to proceed. It was not approached from the angle of narrow, selfish individualism or with the idea of monopoly and through control of markets to gouge the consumer. It must continually be borne in mind that this Wheat Pool movement has sprung from the economic and social life of the prairies, and that the great moving spirit behind it all was the desire to improve the farmers' standard of living, to increase his purchasing power, and to minimize the instability which Western Canada's most important, its basic occupation—farming—was laboring under, due to the hazards imposed by nature and aggravated by the futures marketing system. It was their earnest desire to make farming what it ought to be, "a way of life", stable and secure, and not "a feast one year and famine the next."

Producers were prepared, if risks there were, to carry them jointly and at the same time spread the returns from their main cash crop over different periods of the year, through distribution of Initial, Interim, and Final payments.

In both Saskatchewan and Alberta the objective set was the securing of growers' contracts covering at least 50 per cent. of the wheat crop acreage of the previous year. The Alberta contract provided that if this acreage was not signed up when the campaign for signatures closed on September 5, 1923, the trustees of the Pool might proceed with the organization of the Pool after the signatories had been given an opportunity to withdraw. The Alberta Pool was the first to start operations on October 29th, 1923. Although a considerable proportion of the large crop of 1923 had already been marketed when the Pool opened for business, more than 34,000,000 bushels were handled by the Alberta Pool in its initial season.

The Saskatchewan and Manitoba Wheat Pools were formally organized the following summer.

### POOL CONTRACT

Membership and the Marketing Contract were the foundation upon which the entire Wheat Pool system rested. Generally speaking the contracts between the Pool and farmer in each Province were the same—differences which existed were of minor nature. Thus for instance, Alberta and Saskatchewan contracts all expired in the same year. In Manitoba, after the first year the contract covered a period of five years from the date of signing, and later this was changed to a continuing contract from which the grower could withdraw quinquennially.

Summarized, the contract between the Wheat Pool and the member contained the following provisions:

#### *The Pool*

The Pool agreed to act as agent to market its members' wheat under the pooling system, i.e., after deducting freight, handling charges, and Pool operating costs, to pool annually the proceeds realized from the sale of wheat of like grade and quality, so that all members would receive the same basic price.

The Pool might also deduct a sum not exceeding 3c per bushel to acquire elevator facilities, and a further sum not exceeding 1% of the gross selling price as a reserve.

The Pool had authority to pledge the grain of its members as soon as it received delivery, the main purpose being to enable the Pool to make initial advances at the time of delivery.

The Pool might also join with any other agency for the co-operative marketing of the member's wheat.

The Pool had authority to establish selling, statistical or other agencies, whenever and wherever it considered them to be proper and necessary.



### *The Member*

The member agreed to market through the Pool all of his wheat during the term of the contract, excepting:

(a) Seed and feed for his own use.

(b) Seed and feed for local sale upon receiving a permit from the Pool.

If the member sold wheat contrary to his agreement with the Pool, he was liable to twenty-five cents per bushel as liquidated damages on the full amount so disposed of, and he might be restrained from further breach of contract by injunction.

The member agreed to ship his wheat as instructed by the Pool. In practice the Pool always accepted delivery at the convenience of the grower, although from time to time plans were evolved to encourage farm storage.

### DEMOCRATIC FORM OF GOVERNMENT

Every member enjoys an equal vote in the government of the Pool organizations, irrespective of the extent of his holdings or the quantity of grain to be marketed.

For purposes of government, the Pools in Alberta and Saskatchewan follow the same plan. Each province is divided into districts—seven in Alberta and sixteen in Saskatchewan. Each district is sub-divided into ten sub-districts. Annually at a certain date specified in the by-laws, nominations for delegates to represent the members in each individual sub-district are mailed to the company's head office. Every member resident in the sub-district is eligible for nomination and every member is entitled to make a nomination. Head office mails a ballot paper to each member, upon which he indicates his choice of representative for the sub-district. The votes are counted by agencies appointed for this purpose, the transferable voting system being used. In Saskatchewan the elected delegates representing the ten sub-districts in each district select one of their number to represent the district on the Board of Directors of the Provincial organization. In Alberta the one elected as a Director need not be a delegate but must be a member. Thus, the Alberta Wheat Pool has seven directors, and the Saskatchewan Wheat Pool, sixteen.

In Manitoba the method followed was slightly different in practice, but similar in that it gave representation on the Board of Directors to the entire membership in each individual district. The provincial rural municipalities were used as a basis of organization, each municipality being entitled to a number of delegates in proportion to the number of Wheat Pool members within its boundaries. Wheat Pool members met at some central point in the municipality once each year and elected their delegates. The delegates met once a year in convention and elected one of their number a member of the Board of Directors of the Manitoba Wheat Pool. Manitoba was divided into seven districts and there were seven directors on the Provincial Board.

In all three provinces, Wheat Pool delegates meet in convention at least once a year. At this meeting the annual reports of the Board of Directors of the Provincial Pool and of the Central Selling Agency are exhaustively considered, reviewed, and finally passed upon. Provided with all this information, the delegates in turn hold series of meetings in their respective sub-district, where the reports are again explained and discussed with the members. Each Wheat Pool is an entity, uncontrolled by the sister organizations in the neighboring provinces.

### CREATING CENTRAL SELLING AGENCY

Recognizing the disadvantages which might arise from the three organizations selling in competition with each other, the three provincial pooling organizations in 1924 created a subsidiary known as "Canadian Co-operative Wheat Producers Limited", commonly called the Central Selling Agency, which subsidiary organization was created by Dominion charter obtained on the 6th of August, 1924.

Paragraph 1 (a) of its charter states its purpose to serve as a selling agency on a non-profit basis for the three Provincial Pools. Paragraph 2 reads as follows: "To be an agricultural organization instituted for the purpose of mutual help to serve as the central marketing association for the corporations and persons men-

tioned in Section 1 (a) hereof; to improve methods and reduce cost of marketing grain; to reduce speculation, manipulation and waste, and all unnecessary transactions in such marketing; to increase consumption; to build up new markets and develop new uses for grain; to market the same directly and with regularity so as to furnish it economically to the users thereof, and to preserve for the grower and the public their proper profits and economies."

This organization had a paid-up capital of \$150,000.00, \$50,000.00 of which was contributed by each of the Provincial Pool Organizations. It had a board of nine directors, three of which were elected from each of the boards of the respective Provincial Pools. That is, in spite of the fact that Saskatchewan supplied approximately five-eighths of the total pooled wheat, Alberta approximately two-eighths, and Manitoba approximately one-eighth, each Provincial Organization had equal capital interest, representation and voting power in the Central Selling Agency.

A contract was entered into on the 20th of August, 1924, between the three provincial organizations and the Central Selling Agency by which the provincial boards, in accordance with the terms of their growers' contracts, agreed to turn over to the Central Selling Agency all wheat delivered to them for the purpose of having the Central Selling Agency sell the same and pool the proceeds irrespective of provincial boundaries. By this contract the Provincial Pools gave to the Selling Agency the powers to deal with their members' wheat which the members had given their respective Provincial Pools. The contract between the provincial organizations and the Central Selling Agency was to continue to the end of the life of the grower's contract, being the crop years 1924-25 to 1927-28 inclusive. Any provincial organization, however, could withdraw from this agreement in any year by giving three months' notice of its intention to do so, provided such notice was given at least three months prior to the first of July in any year during the currency of the contract.

During the first year of the joint operation of the three Pools, none of them owned or operated any country elevators. They did, however, in that year successfully operate under a lease agreement two small terminal elevators at Fort William of a storage capacity of approximately 750,000 bushels. The only grain which could be shipped to these terminals was grain which farmers might load over the loading platform.

#### HANDLING AGREEMENT WITH ELEVATOR COMPANIES

Not owning or operating any country elevators it was necessary for the Pools to enter into an agreement with the owners of country and terminal elevators to warehouse grain for them. The agreement entered into with the elevator companies provided for a set sum to be paid by the Pools to the elevators for handling and storing Pool wheat delivered to them. The charges to be paid to the elevators varied in amount according to the method by which the grain might be handled. Provision was made whereby the receiving country elevator would at the request of the grower, pay to him the initial payment set by the Pool, less country elevator charges fixed by the above agreement. The country elevator was reimbursed for the amount paid out upon its making delivery of the grain in question at the terminal point to the Provincial Pool. The carload shipper, with or without taking an advance, could have his grain forwarded to the terminal, receiving his initial payment only after the grain had been unloaded. One of the conditions of the agreement was that Pool farmers' grain must be forwarded to the terminal designated by the receiving country elevator.

#### FORMATION OF POOL ELEVATOR COMPANIES

Dissatisfaction of Pool members with the treatment received from elevator companies led to an insistent demand by members for Pool-owned elevator facilities. This, coupled with the Pools' inability to take advantage of premium situations because of the fact that they did not control the forward movement of stocks from country elevators, finally convinced the management of the necessity of owning and operating their own elevator system.

This situation caused the Saskatchewan Pool on the 24th of February, 1925, to incorporate under the Provisions of The Saskatchewan Joint Stock Companies Act, a subsidiary elevator company, the entire capital stock of which was and is provided by the elevator deductions already referred to. In the first year of its operation the amount of these elevator and reserve deductions was \$1,714,700.97.

In the year 1933 the Saskatchewan Pool by contribution of purchase obtained 39 elevators, all of which were located at points where there was a minimum of 10,000 acres of wheat under contract to the Pool provided such point was not already served by one of the then existing farmer elevator companies either the United Grain Elevators or the Saskatchewan Elevators Limited Company. If an applicant demand was made for an elevator at a point then served by one of these farmer elevator companies, no elevator was erected or purchased by the Pool until at least 5,000 wheat acres were under contract at such point. In 1935 Saskatchewan Wheat Pool purchased the entire system of the Saskatchewan Elevators Limited Company consisting of 441 country elevator terminals with storage capacity of 7,275,000 bushels at the head of the Lake and a transfer tower at Pelly, at a total cost of \$1,246,111.47. Since then other by purchase of contributions, that line of country elevators has been steadily added by sale of new members. 1935.

In the year 1932 Alberta also formed a voluntary elevator company, the entire capital stock of which was likewise provided by the 20 per cent elevator deductions. In that year 1 country elevator was incorporated as a new branch line. In 1935 the program was continued and 30 additional elevators were secured at points where deliveries to the Pool were the heaviest, but no facilities were acquired at points where the United Grain Elevators were represented. In 1937 elevators were added at points at which there was a minimum wheat delivery of 100,000 bushels of Pool grain over a three-year period. It was the fixed policy of the Alberta Pool to offer to buy existing elevator facilities operating with new equipment. In 1937 120 elevators were acquired. The following year a further 125 were acquired and an additional 122 in 1939 bringing the total number of Alberta Pool elevators to 420. This number has been reduced to 420 since elevators have been torn down due to changed conditions and some having been sold.

The Manitoba Pool in 1933 also incorporated as elevator company by Special Act of the Manitoba Legislature (Chapter 113 Statutes of Manitoba, 1933). The number of elevators acquired, either by purchase, contribution, or lease, was as follows:

1935 .....	8
1936 .....	20
1937 .....	20
1938 .....	20
1939 .....	12
	—
Total .....	100
	—

In the interval between 3 elevators have been discontinued, and at present Manitoba Pool Elevators are operating 133 country houses belonging to 185 Local Associations 152 of which are owned and are leased.

In order to secure the elevator at the point where it was considered to form an Association at the point then the elevator facilities and members of the Association were requested to agree both Pool and Pool Elevator contracts for a period of five years. The contract with the elevator company provided for delivery of all the member's marketable grain, with no cap and reserve grain to the Pool and the Pool in a new elevator was constructed. It was necessary that at least 10,000 acres of marketable grain be signed up. This condition was met with a request of from 10,000 to 100,000 bushels at the rate of a 50,000-bushel elevator with 100,000 acres were necessary. Where suitable houses could be located at a reasonable cost, it was stipulated that they would be leased in preference to purchasing or constructing new elevating capital expenditures.

#### ELEVATOR CAPACITY POOL AND IRON-POOL.

The following table shows the total number of country elevators, leased and owned in Western Canada as at August 31st, 1939 including public, private and mail elevators, and their total capacity. These figures are taken from Exhibit No. 3 filed by Mr. Jas. McLaugh.

In addition it gives the number of country elevators owned and operated by the three Provincial Pools and the percentage that is of the total both as to number and capacity.

For convenience, the elevators in the Peace River block, and others also located

By August 1 situation, we included in the Africa total. These numbered 34 of the above data, representing 14 public primary schools and 12 full-time, with a total capacity of 800,110 pupils.

	Total		Pool		% of Pool in Total	
	Structure	Aggregates	Structure	Aggregates	Structure	Aggregates
Nonresidential	1.4%	20.0%	1.4%	20.0%	91.4%	91.4%
Commercial/Industrial	1.4%	20.0%	1.4%	20.0%	91.4%	91.4%
Residential	1.4%	20.0%	1.4%	20.0%	91.4%	91.4%
Total	1.4%	20.0%	1.4%	20.0%	91.4%	91.4%

Members of shipping unions in Norway & Sweden voted to support the boycott.

	1993	1994	1995	1996
Total Member Funds	\$1.2	\$1.2	\$1.2	\$1.2
Number of Total Members	100	100	100	100

The following are portions of various letters received by the Personnel Bureau:

The Atlantic Fuel Corp. Petroleum No. 1 is a gasless oil with a viscosity of 1,100 (100) centipoise. Despite the fact that the Fuel Oil is not intended for use as a fuel, it is a gasless oil with a viscosity of 1,100 (100) centipoise and is not a fuel. The Fuel Oil is a gasless oil with a viscosity of 1,100 (100) centipoise. The Fuel Oil is a gasless oil with a viscosity of 1,100 (100) centipoise. The Fuel Oil is a gasless oil with a viscosity of 1,100 (100) centipoise.

The "General government" data used in this report have been derived from the 1998 and 1999 editions of the *Government of India Yearbook of Statistics* and the *Government of India Statistical Yearbook*. The data for the years 1998 and 1999 are based on the 1998 and 1999 editions of the *Government of India Statistical Yearbook*. The data for the years 1998 and 1999 are based on the 1998 and 1999 editions of the *Government of India Statistical Yearbook*. The data for the years 1998 and 1999 are based on the 1998 and 1999 editions of the *Government of India Statistical Yearbook*.

[illegible]

FORMATION OF COARSE GRAINED POLY

[illegible][illegible]

In the year 1970, the average American family had a net worth of \$10,000. By the year 1980, the average family had a net worth of \$15,000. By the year 1990, the average family had a net worth of \$20,000. By the year 2000, the average family had a net worth of \$25,000. By the year 2010, the average family had a net worth of \$30,000. By the year 2020, the average family had a net worth of \$35,000. By the year 2030, the average family had a net worth of \$40,000. By the year 2040, the average family had a net worth of \$45,000. By the year 2050, the average family had a net worth of \$50,000. By the year 2060, the average family had a net worth of \$55,000. By the year 2070, the average family had a net worth of \$60,000. By the year 2080, the average family had a net worth of \$65,000. By the year 2090, the average family had a net worth of \$70,000. By the year 2100, the average family had a net worth of \$75,000.

Monetary and capital-market operations moved into separate departments from the Federal Reserve Agency, under which they delivered their main products. In the national administration, in 1971, a central bank was set up that had done so the year

of wheat. It was not until the year 1929 that the Alberta Pool entered into a course grains contract with its growers, which operated for one year only. It likewise sold its course grains through the Central Selling Agency.

## SECOND SERIES CONTRACT

As already noted the five-year period for the first term Wheat Pool contracts terminated in the Provinces of Alberta and Saskatchewan with the 1927 crop. That is, after four years of actual operation in Saskatchewan and five in Alberta every grower was released from his obligation to deliver grain to the Pools, and the question of whether he should sign a new contract or not lay entirely with himself. In both Provinces new contracts covering more than 90% of the wheat acreage were secured, indicating the confidence which growers had in the Pool method of marketing and their desire to continue on that basis. In Saskatchewan a new five-year contract for course grains was also secured and in 1929 Alberta operated its first Course Grains Pool.

In the case of Manitoba all contracts executed after 1925 terminated five years from the date of the signing thereof. Contracts did not expire as in Saskatchewan and Alberta at the same time, but at each contract did expire the question as to whether to sign a new one for another five-year period was entirely at the member's discretion. Results of the sign-up given below indicate clearly that farmers in Manitoba were of the same mind as the growers of the other two provinces.

The following figures give the membership of the different Provincial Pools for the years 1925-31:

Year	Manitoba		Saskatchewan		Alberta	
	Wheat	Course Grains	Wheat	Course Grains	Wheat	Course Grains
1925	—	—	—	—	25,063	—
1926	4,573	—	51,366	—	30,711	—
1927	14,344	5,898	72,654	34,781	35,667	—
1928	17,334	7,655	85,418	37,660	38,450	—
1929	19,662	10,595	88,733	39,377	40,863	—
1930	17,763	17,386	77,484	41,174	43,296	—
1931	19,604	19,719	81,342	43,290	45,813	5,019—Oct. 31/31
July 1,	—	—	—	—	—	—
1930	19,107	19,716	82,266	44,917	43,692	4,627—Oct. 31/30
July 31,	—	—	—	—	—	—
1931	19,233	19,434	84,703	45,247	45,272	5,636

## POOL DELIVERIES AND PERCENTAGE OF TOTAL

The following table gives the total yearly deliveries of Wheat and the quantity thereof delivered to the Pool in the Provinces of Manitoba, Saskatchewan and Alberta during the years in which Contract Pools were operated by the three Provincial organizations. The last column shows the percentage of the total handled by the Pool.

Crop Year	Total Yearly Deliveries	Pool Deliveries of Wheat	Percentage of Total Handled by Pool
1924-25	211,294,000	51,394,000	24.34
1925-26	234,731,000	139,028,000	59.24
1926-27	247,960,000	179,550,000	72.81
1927-28	455,253,000	309,371,000	68.12
1928-29	475,471,000	344,348,000	72.55
1929-30	327,109,000	171,763,000	52.50

Pool figures represent the actual deliveries for each year, while yearly delivery figures are taken from tables submitted to the Commission by Mr. Jas. McAnish, Exhibit 3, based on Food Research Institute statistics.

Latest figures supplied by the Board of Grain Commissioners, January 8th, 1937, would alter the above table thus:

Crop Year	Total Yearly Deliveries	Pool Deliveries of Wheat	Percentage of Total Handled by Pool
1924-25	211,294,000	51,394,000	24.34
1925-26	234,731,000	139,028,000	59.24
1926-27	238,541,000	175,560,000	73.63
1927-28	399,664,000	269,071,000	67.34
1928-29	484,382,000	244,348,000	50.45
1929-30	235,448,000	121,863,000	51.78

**VOLUNTARY POOLS ARE IN**

Early in the year 1933 the three organizations and their members, that they would not agree to a plan on the basis of the groups of the membership in regard to their respective status in the party under the new law. From the meeting held previous to this time it was clear to the three organizations that it was impossible for any organization to be a member of the party without being a member of the other two. In the year 1934 the three organizations agreed to a plan of cooperation which was the basis of the present agreement. The plan was to have the three organizations work together in the party and to have the three organizations work together in the party and to have the three organizations work together in the party.

The question that the defendant proposed upon the plea of non est to be a proper motion for a bill of habeas corpus was denied. The court said that the defendant's motion was not a proper motion for a bill of habeas corpus, but a motion for a writ of habeas corpus, and that the court was not a proper court to grant such a writ. The court said that the defendant's motion was not a proper motion for a bill of habeas corpus, but a motion for a writ of habeas corpus, and that the court was not a proper court to grant such a writ.

Year	Marinebirds	Seabirds-terns	Albatross	Total
1960-61	100,000	100,000	100,000	300,000
1961-62	100,000	100,000	100,000	300,000
1962-63	100,000	100,000	100,000	300,000
1963-64	100,000	100,000	100,000	300,000
1964-65	100,000	100,000	100,000	300,000
1965-66	100,000	100,000	100,000	300,000
1966-67	100,000	100,000	100,000	300,000
1967-68	100,000	100,000	100,000	300,000
1968-69	100,000	100,000	100,000	300,000
1969-70	100,000	100,000	100,000	300,000
1970-71	100,000	100,000	100,000	300,000
1971-72	100,000	100,000	100,000	300,000
1972-73	100,000	100,000	100,000	300,000
1973-74	100,000	100,000	100,000	300,000
1974-75	100,000	100,000	100,000	300,000
1975-76	100,000	100,000	100,000	300,000
1976-77	100,000	100,000	100,000	300,000
1977-78	100,000	100,000	100,000	300,000
1978-79	100,000	100,000	100,000	300,000
1979-80	100,000	100,000	100,000	300,000
1980-81	100,000	100,000	100,000	300,000
1981-82	100,000	100,000	100,000	300,000
1982-83	100,000	100,000	100,000	300,000
1983-84	100,000	100,000	100,000	300,000
1984-85	100,000	100,000	100,000	300,000
1985-86	100,000	100,000	100,000	300,000
1986-87	100,000	100,000	100,000	300,000
1987-88	100,000	100,000	100,000	300,000
1988-89	100,000	100,000	100,000	300,000
1989-90	100,000	100,000	100,000	300,000
1990-91	100,000	100,000	100,000	300,000
1991-92	100,000	100,000	100,000	300,000
1992-93	100,000	100,000	100,000	300,000
1993-94	100,000	100,000	100,000	300,000
1994-95	100,000	100,000	100,000	300,000
1995-96	100,000	100,000	100,000	300,000
1996-97	100,000	100,000	100,000	300,000
1997-98	100,000	100,000	100,000	300,000
1998-99	100,000	100,000	100,000	300,000
1999-00	100,000	100,000	100,000	300,000
2000-01	100,000	100,000	100,000	300,000
2001-02	100,000	100,000	100,000	300,000
2002-03	100,000	100,000	100,000	300,000
2003-04	100,000	100,000	100,000	300,000
2004-05	100,000	100,000	100,000	300,000
2005-06	100,000	100,000	100,000	300,000
2006-07	100,000	100,000	100,000	300,000
2007-08	100,000	100,000	100,000	300,000
2008-09	100,000	100,000	100,000	300,000
2009-10	100,000	100,000	100,000	300,000
2010-11	100,000	100,000	100,000	300,000
2011-12	100,000	100,000	100,000	300,000
2012-13	100,000	100,000	100,000	300,000
2013-14	100,000	100,000	100,000	300,000
2014-15	100,000	100,000	100,000	300,000
2015-16	100,000	100,000	100,000	300,000
2016-17	100,000	100,000	100,000	300,000
2017-18	100,000	100,000	100,000	300,000
2018-19	100,000	100,000	100,000	300,000
2019-20	100,000	100,000	100,000	300,000
2020-21	100,000	100,000	100,000	300,000
2021				

## ROLLING ON CAMBIATION

[illegible]

The following are the names of the persons who have been appointed to the various positions in the various departments of the Government of the State of New York, for the year 1900.

being provided by the Exchange upon Exchange orders and access to all the information made available to the members by this organization and its affiliates and the further advantage of information supplied to it by the above representative, members and dealerships.

The Finance Bill, 1951, was introduced in the House and passed by a majority of 157 votes after the dropping of Section 1 which was a contentious point. Mr. Jinnah left the members of the Post in May 1951 to vote the

Empire Marketing Board at London, England, and he is now the Secretary of the World Wheat Advisory Committee.

## ORDERLY MARKETING

The Wheat Pool system came into operation with the avowed purpose of maintaining the orderly marketing of grain under co-operative grower control and administration. Under the futures system the farmer sold the greater percentage of his wheat in one or three months to middlemen, who, for a consideration, with the aid of milers, exporters, speculators, and others, sold it pending an export demand therefor. The Pool's objective, on the other hand, was to have its members collectively carry their own wheat until such time as they found markets for it in consumptive channels. Carrying the risk of ownership, they had the merchant's natural urge to find a buyer.

The orderly marketing policy of the Pools has been frequently and willfully misinterpreted. It was simply an attempt to move the flow of wheat into consumption in accordance with consumer-price demands, and to bring about a stabilized market throughout the year in place of fluctuating markets with high prices at one time and low prices at another. We are convinced that if all the grain which has been marketed in Western Canada could have been sold at the average price of the year rather than at the fluctuating levels which have obtained, it would have meant a tremendous increase in the returns to the producer, and thereby been of immeasurable value to the Dominion as a whole. The current year is again an outstanding example of the benefit which a Wheat Board could have been to Western producers. No amount of argument will convince those thousands of farmers who sold their wheat early last fall at less than \$1.00 per bushel, hence in Northern Fort William, that a Wheat Board, returning to them the average price of the current crop year, would not have measurably increased their returns.

The following table gives the deliveries of wheat by months to the Central Selling Agency for the years 1924 to 1929, and also the sales by months for the same period of time.

Crop Year 1924-25	Bushels Delivered	Bushels Sold
September	423,000	7,020,000
October	13,321,500	3,307,000
November	19,736,000	8,371,000
December	19,020,500	8,742,000
January	4,544,500	7,791,000
February	3,360,500	4,108,000
March	8,700,000	5,000,000
April	2,510,000	6,300,000
May	944,000	8,174,000
June	1,430,000	6,156,000
July	2,070,000	9,407,000
August	544,000	9,602,000
Total Deliveries and Sales	8,394,000	83,620,000
Cleaning House Deliveries and Local Purchases	6,714,000	
Grainst Inerts		3,179,000
	15,108,000	87,799,000

Crop Year 1925-26	Bushels Delivered	Bushels Sold
September	17,798,500	39,391,000
October	26,400,000	26,400,000
November	26,327,500	26,445,000
December	41,084,500	12,300,000
January	24,021,000	12,300,000
February	8,980,000	11,324,000
March	5,535,000	12,300,000
April	3,800,500	9,917,000
May	4,108,500	10,775,000
June	5,094,000	7,302,000
July	9,000,000	17,407,000
August	744,000	9,007,000
Delivered to August 31		814,000(?)
Grain sold but not delivered		1,968,000(?)
Total Deliveries and Sales	100,000,000	191,230,000
Cleaning House previous crops	1,716,000	
Cleaning House Deliveries and Local Purchases	8,811,000	
Grainst Inerts		6,207,000
	109,716,000	197,437,000

Crop Year	Bushels	Bushels
1929-30	Delivered	Sold
September	15,255,000	16,418,000
October	38,851,000	42,914,000
November	41,370,000	50,482,000
December	23,711,000	30,182,000
January	17,508,000	17,000,000
February	4,973,000	10,714,000
March	7,487,000	14,053,000
April	8,411,000	8,893,000
May	7,383,000	59,775,000
June	4,783,000	14,995,000
July	3,750,000	7,030,000
August	1,150,000	17,131,000
Subtotal to August 31		44,450,000
Less Grain sold but not delivered 1929-30.		324,082,000
		5,333,000
Total Deliveries and Sales	179,350,000	166,149,000
Carried from previous season	4,247,000	
Closing Stock Deliveries and Local Purchases	16,241,000	7,419,000
Unsold Stocks		
	209,568,000	208,568,000
Crop Year	Bushels	Bushels
1930-31	Delivered	Sold
September	8,460,000	10,447,000
October	26,149,000	19,605,000
November	31,253,000	28,243,000
December	24,741,000	19,789,000
January	25,277,000	13,457,000
February	16,396,000	24,182,000
March	10,312,000	23,514,000
April	6,434,000	22,693,000
May	1,829,000	7,430,000
June	3,823,000	19,100,000
July	3,371,000	10,587,000
August	3,628,000	12,375,000
Total Deliveries and Sales	209,871,000	223,408,000
Carried from previous season	7,419,000	
Closing Stock Deliveries and Local Purchases	8,845,000	
	226,135,000	223,408,000
Crop Year	Bushels	Bushels
1931-32	Delivered	Sold
September	17,413,000	20,005,000
October	37,241,000	24,093,000
November	56,869,000	23,411,000
December	44,344,000	23,488,000
January	19,990,000	10,291,000
February	9,840,000	15,062,000
March	5,377,000	15,515,000
April	5,307,000	11,434,000
May	7,879,000	4,510,000
June	6,337,000	50,100,000
July	5,341,000	13,081,000
August	1,733,000	8,751,000
Total Deliveries and Sales	241,747,000	264,744,000
Closing Stock Deliveries and Local Purchases	8,845,000	48,910,000
Unsold Stocks		
	250,592,000	264,744,000
Crop Year	Bushels	Bushels
1932-33	Delivered	Sold
September	13,823,000	8,555,000
October	20,446,000	8,825,000
November	18,943,000	41,754,000
December	5,714,000	9,643,000
January	3,735,000	3,598,000
February	3,331,000	820,000
March	2,937,000	8,146,000
April	2,871,000	5,505,000
May	4,794,000	21,400,000
June	13,879,000	8,500,000
July	10,110,000	19,040,000
August	8,145,000	29,346,000
Total Deliveries and Sales	121,893,000	179,932,000
Carried from previous season	65,232,000	
Closing Stock Deliveries and Local Purchases	9,599,000	49,371,000
Unsold Stocks		
	176,724,000	179,932,000

Note.—Of the sales made in 1929-30, 48,994,000 were allocated to the 1928-29 crop year and 64,264,000 to the 1929-30 crop year.



## HANDLING AND FINANCING POOL GRAIN

The various companies, whether Free or non-Free, which accepted delivery of the elevator grain made the sales payment to the grain and in turn the responsibility for the sale of the grain was made. When payment was made the selling price was set at 100% of the Free grain Free or an individual elevator company after they had had time to consider the situation. When delivery was made by the grain business and a reasonable percentage of the right to participate in further payments.

From 1914 to 1916, elevator companies paid 100% of the grain, and made a cash payment to the grain. These payments were made in March and in the first days of May. The grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain.

Every elevator company, whether it was a Free or non-Free company, arranged their own bank credit for making the grain payments to the grain. The Free elevator companies paid 4% interest to the bank and agreed to maintain a margin of 10% (later on 20%) between the amount of their bank borrowings and the market value of the grain. The non-Free elevator companies paid 10% interest to the bank and agreed to maintain a margin of 10% (later on 20%) between the amount of their bank borrowings and the market value of the grain. The Free elevator companies paid 4% interest to the bank and agreed to maintain a margin of 10% (later on 20%) between the amount of their bank borrowings and the market value of the grain. The non-Free elevator companies paid 10% interest to the bank and agreed to maintain a margin of 10% (later on 20%) between the amount of their bank borrowings and the market value of the grain.

The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain. The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain. The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain.

The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain. The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain. The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain.

\* \* \*

## POOL POLICY—1929

In the fall of 1929 and later, elevator companies made agreements with the grain business to the effect of the grain to be sold through elevator companies, and the grain business to the effect of the grain to be sold through elevator companies. The elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain. The elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain.

The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain. The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain. The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain.

The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain. The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain. The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain.

The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain. The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain. The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain.

The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain. The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain. The Free elevator companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain, and the grain companies, which had no right to participate in the grain.

that the statement was based upon any feeling that the Pool had been attempting to hold up wheat in wholly baseless. My statement was made in reply to an opposing supplementary question and was based on assurances given me, by you at Winnipeg, in September, that the Pool had been anxious to sell at prices substantially lower than those prevailing. I fully accepted these assurances and welcomed them as evidence of a friendly attitude towards my plans for encouraging more regular interchange of goods between Canada and Great Britain. I trust you will give full publicity to this explanation. As you know I fully appreciate the difficulties with which the Pool has been confronted and I earnestly hope the situation may soon rectify itself to the advantage of both countries.

Before returning to England Mr. Thomas made an urgent request that representatives of the Pool should continue to keep in touch with him and other representatives of the British Cabinet. Subsequently Messrs. A. J. McLeod, D. R. McIntyre, and W. A. MacLeod held several conferences with Mr. Thomas and other members of the British Government in London early in February, 1920. Nothing, however, resulted from such conferences, because the negotiations which Mr. Thomas had been carrying on for the sale of British coal in Canada on a large scale broke down.

Further in support of our contention that we have been free and anxious sellers, we submit herewith tables showing the Pool's proportion of the total Canadian wheat carryover from the end of the 1924 crop season to that of 1929.

TABLE SHOWING ACTUAL STOCKS OF WHEAT CARRIED OVER

July 31	Canadian Carryover in Canada to U.S.	Pool Wheat Carryover	Pool Percentage of Carryover	Percentage of Crop Marketed by Pool
	<i>(Millions of Bushels)</i>			
1923	39.7	7.2	32.74	36.41
1926	40.1	11.2	51.2	53.13
1927	45.8	38.5	89.42	92.15
1928	51.1	47.8	94.98	96.51
1929	127.3	84.8	66.61	68.16
1930	124.8	64.8	52.03	51.33

Pool figures include stocks of Pool wheat in all positions, whether delivered to the Central Selling Agency or still in the hands of the Provincial Pools. No deductions have been made for open contracts, that is for grain sold but not delivered, nor for futures contracts sold on the option market. Hence, the figures in the above table do not correspond with some previously published Canadian carryover figures are based on statistics submitted to the Commission by Mr. Jas. MacIsaac (Exhibit 7). The percentage figures of crop handled by the Pool are based on statistics of the Board of Grain Commissioners.

The next table shows the open contracts (grain sold but not delivered) and the futures sold by the Pool as at July 31st in each year.

July 31	Open Contracts	Futures Sales
	<i>(Millions of Bushels)</i>	
1923	4,947	—
1926	3,042	1,126
1927	3,854	—
1928	18,486	12,142
1929	8,791	28,493
1930	7,792	—

We wish to draw particular attention to the figures in the first table as at July 31 1929—the end of the crop year 1928-29—the year in which it has been most consistently alleged that the Pools were holding up supplies. The percentage of the crop marketed by the Pool in that season was 51.21%, and the share of the Pool carryover was 50.65%. In other words, the Pool handled over 51% of the total crop marketed in Western Canada, and its percentage of the carryover was slightly less than that figure. This is certainly not an indication that supplies were being held up.

It should not be forgotten that at no time in 1929 was there any shortage of non-Pool wheat in Canada, and therefore had the English miller or importer been dissatisfied with the selling policy of the Pools there was nothing to prevent his purchasing non-Pool grain, other than the Winnipeg price, which, during the early





**CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED**  
**EXPORT OFFERS AND COMPARISON WITH MARKET PRICES**  
**JULY, AUGUST AND SEPTEMBER, 1929**

Date	Option Basis	Market	Offers	Under	Over	Date	Option Basis	Market	Offers	Under	Over
July						Aug.					
1	July	1.34 1/2	1.33 1/2	1		14	Oct.	1.34	1.31		
2	"	1.35 1/2	1.34	1 1/2		17	"	1.37 1/2	.50		
3	"	1.34	1.33	2		19	"	1.34 1/2	1.31		
4	"	1.34	1.33	1 1/2		20	"	1.35 1/2	1.32		
5	"	1.42 1/2	.42			21	"	1.35 1/2	1.32 1/2		
6	"	1.4	1.42		1/2	22	"	1.35 1/2	1.32 1/2		
7	"	1.45	1.43	1/2		23	"	1.35 1/2	1.32 1/2		
8	"	1.41	1.43		1 1/2	24	"	1.35 1/2	1.32 1/2		
9	"	1.42	1.44		1	25	"	1.35 1/2	1.32 1/2		
10	"	1.44 1/2	1.44			26	"	1.35 1/2	1.32 1/2		
11	"	1.47 1/2	1.48			27	"	1.35 1/2	1.32 1/2		
12	"	1.52 1/2	1.53	1 1/2		28	"	1.35 1/2	1.32 1/2		
13	"	1.52 1/2	1.54	1 1/2		29	"	1.35 1/2	1.32 1/2		
14	"	1.52 1/2	1.54	1 1/2		30	"	1.35 1/2	1.32 1/2		
15	"	1.57	1.54	1 1/2		31	"	1.34 1/2	1.32 1/2		
16	"	1.56 1/2	1.52	1 1/2		Sept.					
17	"	1.56 1/2	1.52	1 1/2		1	"	1.34 1/2	1.30		
18	"	1.58 1/2	1.52	1 1/2	4	4	"	1.35 1/2	1.30		
19	"	1.58	1.52		5 1/2	5	"	1.35 1/2	1.30		
20	"	1.59 1/2	1.52		5 1/2	6	"	1.35 1/2	1.30		
21	"	1.59 1/2	1.52		5 1/2	7	"	1.35 1/2	1.30		
22	"	1.59 1/2	1.52		5 1/2	8	"	1.35 1/2	1.30		
23	"	1.59 1/2	1.52		5 1/2	9	"	1.35 1/2	1.30		
24	"	1.59 1/2	1.52		5 1/2	10	"	1.35 1/2	1.30		
25	"	1.58 1/2	1.52	4 1/2		11	"	1.35 1/2	1.30		
26	"	1.58 1/2	1.52	4 1/2		12	"	1.35 1/2	1.30		
27	"	1.58 1/2	1.52	4 1/2		13	"	1.35 1/2	1.30		
28	"	1.58 1/2	1.52	4 1/2		14	"	1.35 1/2	1.30		
29	"	1.58 1/2	1.52	4 1/2		15	"	1.35 1/2	1.30		
30	"	1.58 1/2	1.52	4 1/2		16	"	1.35 1/2	1.30		
31	"	1.58 1/2	1.52	4 1/2		17	"	1.35 1/2	1.30		
Aug.						18	"	1.35 1/2	1.30		
1	Oct.	1.58 1/2	1.52	4 1/2		19	"	1.35 1/2	1.30		
2	"	1.58 1/2	1.52	4 1/2		20	"	1.35 1/2	1.30		
3	"	1.58 1/2	1.52	4 1/2		21	"	1.35 1/2	1.30		
4	"	1.58 1/2	1.52	4 1/2		22	"	1.35 1/2	1.30		
5	"	1.58 1/2	1.52	4 1/2		23	"	1.35 1/2	1.30		
6	"	1.58 1/2	1.52	4 1/2		24	"	1.35 1/2	1.30		
7	"	1.58 1/2	1.52	4 1/2		25	"	1.35 1/2	1.30		
8	"	1.58 1/2	1.52	4 1/2		26	"	1.35 1/2	1.30		
9	"	1.58 1/2	1.52	4 1/2		27	"	1.35 1/2	1.30		
10	"	1.58 1/2	1.52	4 1/2		28	"	1.35 1/2	1.30		
11	"	1.58 1/2	1.52	4 1/2		29	"	1.35 1/2	1.30		
12	"	1.58 1/2	1.52	4 1/2		30	"	1.35 1/2	1.30		
13	"	1.58 1/2	1.52	4 1/2		31	"	1.35 1/2	1.30		
14	"	1.58 1/2	1.52	4 1/2							
15	"	1.58 1/2	1.52	4 1/2							

The Pools were able to make these offers because their stocks were not hedged. The question may properly be asked "Could anyone in the Trade with hedged grain offer it at a price 5/40 below the market without losing the entire protection of his hedge?" The answer is definitely in the negative.

### PRICE TENDENCY, DURING HEAVY DELIVERY PERIOD

When world wheat supply and demand conditions are fairly even y balanced there is every reason to believe that Pools can operate successfully and with benefit to their members. This was demonstrated from 1924 to 1928. It stands to reason that accepting rapid deliveries in the fall and spreading sales throughout the year would, under the circumstances referred to above, secure a better price than if the greater part of the crop were disposed of during the period of heavy deliveries. It has always been the belief of vast numbers of farmers that in most years prices are higher in the spring and summer months than in the late fall when the crop moves and when all their financial obligations, such as taxes, interest on land and mortgage payments, and notes given for equipment or to banks, become due and payable. This is the real spur' accelerating deliveries! Of late years, combines and trucks, equipped with seasons of less than average precipitation, have further moved forward the half-way mark of yearly deliveries, as shown in a previous submission by Mr. Jas. McAnish.

The following table would indicate that the belief of farmers of usually lower prices in the fall, when deliveries are at their height, is well founded. It covers the crop years 1908-09 to 1928-29 inclusive, and shows in column 1 the average cash ending market price during the four months, September to December inclusive; in column 2 the average for the remaining 8 months, and lastly the difference in price over or under of the latter period compared with the former.

[illegible]

Year	Age	Gender	Marital Status	Religion	Education	Occupation	Income	Health	Family Size	Urban/Rural	State
1995	25	Male	Married	Hindu	High School	Farmer	\$10,000	Good	3	Rural	Uttar Pradesh
1996	26	Female	Married	Muslim	High School	Homemaker	\$8,000	Fair	4	Rural	Bihar
1997	27	Male	Single	Hindu	College	Teacher	\$12,000	Good	2	Urban	West Bengal
1998	28	Female	Married	Sikh	College	Engineer	\$15,000	Good	2	Urban	Punjab
1999	29	Male	Married	Hindu	College	Manager	\$18,000	Good	2	Urban	Madhya Pradesh
2000	30	Female	Married	Muslim	College	Teacher	\$10,000	Fair	3	Urban	Uttar Pradesh
2001	31	Male	Single	Hindu	College	Engineer	\$12,000	Good	2	Urban	West Bengal
2002	32	Female	Married	Sikh	College	Engineer	\$15,000	Good	2	Urban	Punjab
2003	33	Male	Married	Hindu	College	Manager	\$18,000	Good	2	Urban	Madhya Pradesh
2004	34	Female	Married	Muslim	College	Teacher	\$10,000	Fair	3	Urban	Uttar Pradesh
2005	35	Male	Single	Hindu	College	Engineer	\$12,000	Good	2	Urban	West Bengal
2006	36	Female	Married	Sikh	College	Engineer	\$15,000	Good	2	Urban	Punjab
2007	37	Male	Married	Hindu	College	Manager	\$18,000	Good	2	Urban	Madhya Pradesh
2008	38	Female	Married	Muslim	College	Teacher	\$10,000	Fair	3	Urban	Uttar Pradesh
2009	39	Male	Single	Hindu	College	Engineer	\$12,000	Good	2	Urban	West Bengal
2010	40	Female	Married	Sikh	College	Engineer	\$15,000	Good	2	Urban	Punjab
2011	41	Male	Married	Hindu	College	Manager	\$18,000	Good	2	Urban	Madhya Pradesh
2012	42	Female	Married	Muslim	College	Teacher	\$10,000	Fair	3	Urban	Uttar Pradesh
2013	43	Male	Single	Hindu	College	Engineer	\$12,000	Good	2	Urban	West Bengal
2014	44	Female	Married	Sikh	College	Engineer	\$15,000	Good	2	Urban	Punjab
2015	45	Male	Married	Hindu	College	Manager	\$18,000	Good	2	Urban	Madhya Pradesh
2016	46	Female	Married	Muslim	College	Teacher	\$10,000	Fair	3	Urban	Uttar Pradesh
2017	47	Male	Single	Hindu	College	Engineer	\$12,000	Good	2	Urban	West Bengal
2018	48	Female	Married	Sikh	College	Engineer	\$15,000	Good	2	Urban	Punjab
2019	49	Male	Married	Hindu	College	Manager	\$18,000	Good	2	Urban	Madhya Pradesh
2020	50	Female	Married	Muslim	College	Teacher	\$10,000	Fair	3	Urban	Uttar Pradesh

It is not clear, however, that the program has had a profound effect. As an example, the annual "Five Year Plan" calls for the elimination of the 100 million Hong Kong Chinese who are poor. But the government has no means of determining how many poor people there are, and the number of people who are poor is not known.

[illegible][illegible][illegible]

Pool wheat was not hedged. Had the Pool wheat all been hedged, it is obvious that the hedging pressure would have been more than twice as heavy, as it actually was in that period. In our opinion the Winnipeg market could not possibly have absorbed deliveries of approximately 100,000,000 bushels of wheat per month, or, taking twenty-five market days to the month, 4,000,000 bushels per day—not for a week or two, but for a period of four months. A drastic decline would have been inevitable.

#### DELIVERIES—PRairie PROVINCES

Crop Year	Total Deliveries Aug 1 to Sept 30	Total Deliveries Sept Oct Nov total Dec	Percentage of 4 months to total	Pool Deliveries Sept, Oct, Nov, and Dec	Pool % of total 4-month period
1917-18	197,871,371	1,897,549	75.92		
1918-19	133,629,263	97,888,864	77.49		
1919-20	118,874,432	37,856,354	74.90		
1921-22	388,848,000	179,884,000	74.97		
1922-23	338,050,000	332,427,000	78.29		
1923-24	418,690,000	312,839,000	74.73		
1924-25	319,889,000	384,394,000	75.79	64,766,000	20.27
1925-26	378,337,000	382,751,000	73.19	133,289,000	35.29
1926-27	358,699,000	394,858,000	78.48	171,399,000	47.89
1927-28	426,273,000	398,879,000	68.27	168,899,000	49.39
1928-29	475,475,000	50,379,000	22.37	190,719,000	41.86
1929-30	487,90,000	192,478,000	61.18	107,888,000	56.09
1930-31	327,116,000	228,437,000	70.36		
1931-32	765,179,000	184,385,000	49.49		
1932-33	379,681,000	248,185,000	65.36		
1933-34	377,688,000	135,384,000	36.34		
1934-35	298,379,000	142,515,000	48.44		
1935-36	217,053,000	148,438,000	71.81		

It is our opinion that had it not been for Pool operations the disastrous drop in wheat prices might have come about in 1928. This being the case, we feel that Pool farmers in Canada have borne a burden for the wheat producers of Canada in preventing the collapse of the price structure in 1928.

Just how much the Canadian non-Pool farmer benefitted by the fact that the Pool method of marketing held more than half of the entire crop off the hedging market can, of course, never be accurately ascertained.

#### POOL AND WINNIPEG MARKET PRICES

The following table gives the final Pool prices paid by Central in the years 1924 to 1928 to the Provincial Pools for distribution to their members, and the monthly average cash price of wheat on the Winnipeg market for the months during which according to Mr Jas McAnish Exhibit No. 3, Page 4, 75 per cent of the total crop was delivered, the dates on which the 75 per cent mark was reached being as follows:

1924-25 by December 19

1925-26 by December 12

1926-27 by December 18

1927-28 by January 18

1928-29 by December 6

Crop Year	Final Pool Price	High	Winnipeg Price Low	Average
SEPTEMBER				
1924-25	\$1.48	\$1.53 1/2	\$1.33 1/2	\$1.42 1/2
1925-26	1.48	1.59 1/2	1.31 1/2	1.37 1/2
1926-27	1.48	1.57 1/2	1.36 1/2	1.42 1/2
1927-28	1.48 1/2	1.58 1/2	1.39 1/2	1.43 1/2
1928-29	1.39 1/2	1.39 1/2	1.21 1/2	1.17
OCTOBER				
1924-25	1.48	1.59 1/2	1.30 1/2	1.39 1/2
1925-26	1.48	1.57	1.28 1/2	1.37
1926-27	1.47	1.59 1/2	1.26	1.42 1/2
1927-28	1.48 1/2	1.51 1/2	1.38 1/2	1.44 1/2
1928-29	1.39 1/2	1.39 1/2	1.30 1/2	1.33 1/2

Crop Year	Pool Price	High	Winnipeg Price Low	Average
NOVEMBER				
1924-25	1.66	1.70½	1.48½	1.54½
1925-26	1.45	1.52	1.35½	1.43½
1926-27	1.43	1.49½	1.33½	1.41
1927-28	1.42½	1.47	1.30½	1.38½
1928-29	1.19½	1.24½	1.15½	1.19½
DECEMBER				
1924-25	1.85	1.89½	1.60	1.72½
1925-26	1.45	1.70	1.44½	1.57
1926-27	1.43	1.67	1.29½	1.39½
1927-28	1.42½	1.45	1.37½	1.40½
1928-29	1.19½	1.19½	1.15½	1.17½
JANUARY				
1927-28	1.43½	1.45½	1.40	1.43½

Note.—All prices based on Northern, Fort William.

From the above prices, in the case of the non-Pool farmer there must be deducted

Regular country elevator charges and storage beyond the free period of fifteen days, at the rate of .1/30 of 1c per day

Freight charges.

1c per bushel selling commission.

If the grain was not sold immediately he did not have the use of the money represented by the value of the grain. If an advance was taken he paid interest thereon.

If the grain was shipped forward to a terminal, storage was again assessed after ten days.

In connection with the above prices which the non-Pool farmer might have obtained, it must be borne in mind that these are simply the monthly average of the Winnipeg closing quotations and do not necessarily represent the price he received.

In the case of the Pool farmer, the prices shown are the actual amounts which Central paid to the Provincial Pools in the respective years for distribution to their members.

From these final Pool prices the following deductions were made:

Regular country elevator and Provincial Pool carrying charges.

Freight charges.

Service charge paid to the Elevator Company and Provincial Pool overhead. Elevator deduction of 3c per bushel (Wheat) and Commercial Reserve of 1% of the gross selling price.

The items of service charge and Pool operating costs were in lieu of the 1c per bushel selling commission paid by the non-Pool farmer.

Elevator deductions have been invested in stock of subsidiary Elevator Companies on behalf of the members.

The following were the costs of administration of Central and the three Provincial Pools per bushel during the years 1924-25 to 1929-30 respectively:

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30
Central	0.432c	0.200c	0.200c	0.200c	0.400c	0.360c
Manitoba Wheat Pool	0.413c	0.413c	0.788c	1.277c	0.887c	1.208c
Saskatchewan Wheat Pool	0.440c	0.280c	0.500c	0.500c	0.444c	0.840c
Alberta Wheat Pool	0.684c	0.470c	0.480c	0.300c	0.595c	0.760c

Commercial Reserve deductions were not taken by all Pools in each and every year. The following figures give the total Elevator and Commercial Reserve deductions made by the three Provincial organizations:

	Elevator Reserve	Commercial Reserve
Manitoba Pool	\$ 1,847,334.46	\$ 883,830.40
Saskatchewan Pool	15,594,487.73	5,273,700.06
Alberta Pool	4,708,703.04	2,423,149.24
Total	\$22,150,525.23	\$ 8,580,679.69



To complete the record of Pool payments, it should be stated that in 1929-30 the Pools made an initial payment of \$1.00 per bushel base 1 Northern, which on June 23d, 1930, was reduced to 85c. In 1930-31 a provisional initial payment of 70c was paid, which was declared on July 10th, 1930, while the regular initial payment of 60c per bushel base 1 Northern was set on August 14th. This was later reduced to 55c on October 14th, and to 50c on November 24th, due to steadily declining prices. Subsequently the Dominion Government, recognizing that the 1930 Pool carryover had been used to stabilize the Winnipeg market in the interests of Canada generally, paid a sum which equalized the lower Pool payments for 1930 to the 60c level.

### DISTRIBUTION OF ELEVATOR EARNINGS

Between the years 1925 and 1930 the respective Pools paid to their members patronage dividends in the following amounts:

	Manitoba	Saskatchewan	Alberta	
1925-26	\$ 26,398.37	\$ 476,614.09	\$	
1926-27	112,870.63	1,313,337.52	\$ 127,196.03	
1927-28	60,371.34	1,430,721.98	953,262.12	
1928-29	363,106.51	379,366.33	438,376.13	
	<u>\$462,746.85</u>	<u>\$4,259,040.92</u>	<u>\$1,779,034.31</u>	<u>\$4,401,870.48</u>

The Manitoba organization, due to its different set-up, being composed of individual local associations incorporated under "The Co-operative Associations Act", now changed to "The Companies Act" have continued to pay out patronage dividends to certain of their Associations, which as a result of their activities showed surpluses at the end of the year. The following amounts have been distributed by Manitoba in this way on account of operations in the years:

1929-30	\$40,337.66
1930-31	45,369.62
1931-32	1,597.58
1932-33	3,717.00
1933-34	1,350.66
1934-35	9,345.74
1935-36	1,362.64
	<u>\$ 140,734.16</u>
	<u>\$5,021,604.64</u>

Members in Manitoba have further credits with the parent company amounting to \$479,096.88, on account of contributions made to Working Capital and Special Reserves.

In addition to the amount of over \$6,000,000.00 of income earnings which have been paid back to Pool members, interest has also been paid on reserves by the three Provincial Pools as follows.

<b>Manitoba</b>		
Interest paid on Elevator and Commercial reserves to 1927	—	\$ 394,363.11
<b>Saskatchewan</b>		
Interest paid on Elevator deficiencies to 1930	—	1,243,373.80
Interest paid on Commercial reserves to 1930	—	921,080.64
Farm storage paid—1928	—	309,448.74
<b>Alberta</b>		
Interest paid on Elevator deficiencies to 1928	—	463,700.36
Interest paid on Commercial reserves to 1929	—	179,522.63
Farm storage paid—1928 and 1929	—	428,233.85
	<u>All provinces—Total</u>	<u>\$4,206,813.03</u>

Interest on reserves has not since been paid by any of the Pool organizations, as in 1931 they assumed the obligation of repaying the overpayment to their respective governments on the 1929 crop.

Rules and regulations of commodity exchanges with regard to rebate of commissions have almost invariably been interpreted as a prohibition of the paying of a patronage dividend by co-operative members of such exchanges. The large development of co-operative marketing organizations in the United States made it necessary in the public interest to make statutory provision to permit the payment of patronage dividends by co-operative members of commodity exchanges. Sub-



[illegible]

**Abstract**

assigned to one of several to a Government statistical agency. The action of the Government in this respect established grain values for the benefit of all producers.

## ACCOMPLISHMENTS OF THE POOLS

Having stated the purpose, aims and the ideas for which the Pools were brought into being, the conclusion that the representation and successful operation of our Western Canadian co-operative marketing function cannot be operated and controlled in the private business themselves has been the most important development in Western Canada since the Bulk Marketing started running wheels on the tracks of the Red River more than a hundred years ago.

Refinements and steps movements made in our grain handling systems have in proportion of cases been made as a result of initiative by farmers organizations. The very efficient physical handling methods which have been developed are mostly due to the farmers' own efforts. The strength and ability of the co-operative spirit among our grain wheat producers has been most effectively demonstrated during the past few years. In spite of better times and disintegrations, a spite of low prices and drought crop returns, there has grown the most generous support in these war organizations and made it possible to meet all marketing obligations of the four Western Pools, stabilization of bulk exportation returns, to the satisfaction of the WPA management. Without venturing into prophecy, it can be very definitely stated that Western Canadian farmers will never be satisfied until a marketing system has been established which takes into consideration the interest and welfare of the producer.

The following are extracts from the final report of the Saskatchewan Royal Grain Inquiry Commission in September 1939 under the chairmanship of Chief Justice J. T. Brown:

We recount briefly some of the achievements of the Pool as we have seen evidence of them:

Although in operation for a period of only five years, it contains by virtue of its inherent worth and appeal and without any compulsion, 50 per cent of the crop grown in the prairie provinces. What this means in volume and in exportable surplus in comparison with other countries is fully set out in our later report.

It covers and operates some 1415 country elevators out of a total of 2000 spread over the prairie provinces, and in addition it covers a large percentage of the large terminal elevators.

It has taken a leading part in helping to open up markets for the prairie grain in China and Japan and other countries and has placed its handlings in over 60 different ports in Europe.

It has by its large control of grain been able to carry out a system of more orderly marketing and thereby helped to promote stability in prices.

It has been and will be a great force in bringing about remedial legislation in the interest of the producer, not only in connection with the Canada Grain Act, but in other legislation as well.

It has helped to bring its membership to citizenship.

It has brought about a spirit of independence and self-reliance on the part of the farmer in carrying out his various business enterprises.

It has enabled its members to meet with his fellow farmers and discuss better methods of conducting business and carrying on farming enterprises in a way that he has never experienced before.

It has enabled its membership to feel that the marketing of their grain was in the hands of men who are capable who understand world conditions, and who have an interest in every crop of the producers.

"It has by operating in a large way been able to operate in an economical way.

"It has enabled its producers to share in all terminal elevator earnings.

"It has stimulated and helped in a movement for promoting clean and pure seed and special varieties of grain suitable to the soil and climatic conditions.

"It has provided a grade checking department whereby every sample of wheat

pool is checked over after inspection, and a reinspection or appeal is called for whenever it is in the interest of the grower that such should be done.

It was the first to introduce and install the automatic sampler in its terminals, an instrument which will soon be of general application and mean much to a correct system of grading.

It requested and helped bring about through the National Research Council co-operating with the Agricultural Departments of the Western Universities, a scientific investigation into improved methods for drying tough and damp grains which will be of invaluable benefit to producers.

It showed the way for settling with the farmer for mixed grains on the basis of separations where such separations are possible, and thereby saving to the farmer as much as over \$300.00 per car, as set out with greater detail in our Interim Report under the heading 'Mixed Grains'.

"In many other ways too numerous to detail here, the Pool, both directly and indirectly has meant much to the Pool member."

Finally we wish to quote the following appreciation of the co-operative movement among our prairie wheat growers, which was given by Dr. Harold E. Patton of Michigan State College in a paper contributed in 1933 to the Institute of Pacific Relations at the Banff Conference:

"The co-operative activities of the grain growers of the Prairie Provinces have had a continuous history from the beginning of the present century. The forms of organization and the methods of action have experienced many changes and adaptations, but throughout this period has persisted an indistinguishable determination to engage in the collective marketing as well as in the individual production of their commodity. Above all, has been the dominating purpose of attaining a greater measure of social justice. On the whole it can be said of the prairie farmers' co-operative organizations that they have not overreached themselves in prosperity, nor been demoralized by adversity."

In conclusion we wish to present consolidated balance sheets as at July 31st, 1936, for the three Provincial Pool organizations, which show them all to be in a strong position financially.

**SASKATCHEWAN CO-OPERATIVE WHEAT PRODUCERS LIMITED**  
**MODERN FARM LIMITED**  
**SASKATCHEWAN POOL ELEVATORS LIMITED**  
 and  
**SASKATCHEWAN POOL TERMINALS LIMITED**

**Statement of Assets, Direct Liabilities and Growers' Equity as at 31st July, 1936**

<b>Assets</b>	
<b>Fixed Assets (Less Reserve for Depreciation)</b>	<b>\$34,985,851.54</b>
<b>Investments and Memberships</b>	<b>\$2,007.00</b>
<b>Other Assets (Deferred Accounts Receivable, etc.)</b>	
Canadian Co-operative Wheat Producers Limited	\$4,875.77
Manitoba Pool Elevators Limited	\$4,548.53
Province of Sask. — Surplus Income Account	158,360.14
Province of Sask. — Working Fund Ret. Account	134,130.43
Elevator Supplies and Prepaid Accounts	89,843.86
<b>Surplus Capital</b>	<b>7,375,222.16</b>
Amount provided to complete Programme of Building and Work under Construction	\$0,000.00
<b>Total Net Assets (Exclusive of amounts due by Growers)</b>	<b>\$42,368,081.44</b>
<b>Liabilities (Exclusive of Liabilities to Shareholders)</b>	
Province of Sask. — 1935-36 Pool Overpayment	\$11,377,000.00
Manufacturers Life Insurance Company	6,000.00
<b>Total Liabilities to other than Shareholders</b>	<b>\$11,383,000.00</b>
<b>Balance of Assets Over Liabilities—Growers' Equity</b>	<b>\$31,000,000.00</b>

# ALBERTA WHEAT POOL

and

## ALBERTA POOL ELEVATORS LIMITED

Statement of Assets, Direct Liabilities and Growers' Equity as at 15th July, 1935

<b>Assets</b>	
Net Current Assets, after providing for all Current Liabilities	\$ 4,755,151.77
Fixed Assets (Less Reserve for Depreciation)	5,580,537.17
Investments and Memberships	83,583.66
Prepaid Expenses—Chargeable to 1935-36 Season	97,744.47
Deferred Accounts Receivable	57,533.77
<b>Total Net Assets (Balance of Accounts due to Growers)</b>	<b>\$10,449,970.76</b>
<b>Liabilities</b>	
Province of Alberta, re 1925-26 Pool Overpayment	\$ 5,110,530.00
Bank Loans—Secured by Hypothecation of Vancouver Terminal Property	509,000.00
<b>Total Liabilities to other than Shareholders</b>	<b>\$ 5,619,530.00</b>
<b>Balance of Assets Over Liabilities—Growers' Equity</b>	<b>\$ 4,830,440.76</b>

# MANITOBA POOL ELEVATORS LIMITED

and

## ASSOCIATED LOCAL CO-OPERATIVE ELEVATOR ASSOCIATIONS

Statement of Assets, Direct Liabilities and Growers' Equity as at 31st July, 1935

<b>Assets</b>	
Net Current Assets, after providing for all Current Liabilities	\$ 898,799.25
Fixed Assets (Less Reserve for Depreciation)	2,994,489.00
Investments and Memberships	25,457.75
Prepaid Expenses—Chargeable to Season 1935-36	9,721.25
<b>Total Net Assets</b>	<b>\$ 3,928,467.25</b>
<b>Liabilities</b>	
Province of Manitoba, re 1925-26 Pool Overpayment	\$ 1,520,454.20
Saskatchewan Pool Elevators Limited—Terminal Mortgage	183,553.00
<b>Total Liabilities to other than Members</b>	<b>\$ 1,704,007.20</b>
<b>Balance of Assets Over Liabilities—Growers' Equity</b>	<b>\$ 2,224,460.05</b>

# SUMMARY

Saskatchewan	Pool Members' Equity	\$1,414,121.42
Alberta	Pool Members' Equity	5,040,271.76
Manitoba	Pool Elevator Members' Equity	1,551,816.85
<b>Total</b>		<b>\$7,995,159.43</b>

The figures given indicate that the total equities of Pool members in their handling facilities now amount to nearly eighteen million dollars. It should be borne in mind that depreciated values have been taken, and that all obligations, including those to the Provincial Governments in connection with the 1929 overpayment, are deducted before arriving at these figures.

The operations of the last few years have shown that we may count on the continued patronage and loyal support of our members and patrons. Given this, there is no doubt that these farmer-controlled handling facilities will ultimately be wholly owned, free from debt, by the grower members.

More than forty years ago Western farmers started out to secure a greater measure of control over the marketing of their own product. Shortly after the organization of the Territorial Grain Growers' Association at Indian Head in December, 1901 they fought and won their first battles with two of the strongest existing monopolies in the West, the railway monopoly and the elevator monopoly. Many are the changes and improvements brought about since then by the farmers' own efforts, but as yet the goal set in the charter of Canadian Co-operative Wheat Producers, and quoted elsewhere in this submission, has not been reached. We have had reverses, but we are not dismayed. The will and determination to accomplish our objectives are as strong as ever. In the words of our first President of Central, the late A. J. McPhail, "we have put our hands to the plough and we shall never turn back."













therewith, will be in a position to assist our government, if necessary, in developing a national agricultural policy in harmony with changing world conditions.

We have already noted the probability of a recurrence of a surplus in world wheat supplies. We are convinced with the return of such surplus conditions there will be an absence of all but short interest space sales in the futures market. This will, once again, compel our national government to interfere in the national interest. The time of the return of such conditions being unknown to anyone, we feel the proper course is to be prepared for such an emergency by having a national body to market the 1947 and subsequent crops.

The Food organizations, therefore, recommend as the first step in the development of an adequate marketing programme that:

- (1) A national marketing board should be given complete control of the marketing of the entire wheat crop of Western Canada, charged with the duty of marketing it at the best possible price.

- (2) Such board should set a reasonable initial payment at the time of delivery and make further payments from time to time as the grain is disposed of.

- (3) Such board should establish a sales office overseas and appoint agents in the principal importing countries for the purpose of pushing the sale of Canadian wheat and increasing consumer demand.

- (4) The board should have the power to subsidize the farmer in periods of depression.

- (5) The board should provide a uniform price for grain of like quality.

- (6) In the creation of the board provision should be made so that the growers shall have a voice in its operation.

- (7) We further believe that the way should be kept open for the possibility of co-operation between exporting and importing countries in dealing with the world wheat problem.

In this connection it is significant to note that the following recommendations are contained in the final report in the year 1936 of a Royal Commission appointed by the Parliament of the Australian Commonwealth to study Australian wheat marketing problems:

1. That the federal and state governments and the wheat industry give the fullest co-operation to the world wheat situation with a view to co-operating with the major wheat producing countries in international agreements as may be necessary to avoid the re-accumulation of large world stocks of wheat in excess of prospective requirements.

- (2) That should the world wheat situation justify a restriction of production the governments and the industry, take all steps necessary to ensure co-operation with other participating countries."

As co-operative organizations, we are convinced that a permanent policy of merciless competition between the wheat producers of Canada and of other exporting countries for a shrinking world wheat market will result inevitably in lowering the standard of living of our producers to a level of abject poverty which in turn will destroy the national economy of Canada.

# The Farmer and The Wheat Problem

SUBMISSION BY GEORGE BENNETT

*Director, Alberta Wheat Pool*

I DO not wish to intrude upon the time of this Commission for very long, but I would like to give expression to my views, which I think correspond to those of many other farmers in the West, on the question of wheat marketing and its kindred problems.

I am a working farmer, operating at Menziesville, Alberta, on land I homesteaded in 1904. The thirty-three years I have spent in that occupation in this country give me an intimate knowledge of farm conditions. I know from experience what the farmers have had to endure, and I also know the thoughts and ideas of the majority of them.

From the time that I first settled on my homestead I have always taken an active part in farm organizations. I was a member of the Alberta Farmers' Association, which was formed in the early years of the province. It merged with the Society of Equity to form the United Farmers of Alberta. I have been a member of the latter organization ever since. I was interested in the Grain Growers' Grain Company in its early years, and also the Alberta Farmers' Elevator Company. These two joined to form the United Grain Growers. I gave the merger my support until the time the Alberta Wheat Pool was organized and I took an active part in its organization. I have been a member of the board of directors of the Alberta Wheat Pool for the past ten years.

My interest in these farm organizations was aroused by the belief that only through active and aggressive organization could farmers achieve any degree of improvement in methods and advancement of their own economic interests. After thirty-three years' experience I am stronger of that opinion than ever.

Agriculture is Canada's basic industry. Certainly it is the predominant industry in Western Canada. Grain growing is the most important branch of agriculture, and the production of wheat far and away the most important part of grain growing. The west stands or falls largely by the value of the wheat it produces from year to year. I have recently noted statistics showing the value of the grain production in Manitoba, Saskatchewan and Alberta for twenty-seven years (from 1910 to 1936, inclusive), the source of which was the Dominion Bureau of Statistics. As I understand it the valuations given in the table were the average yearly prices obtainable by the producer at his own station multiplied by the total production of each variety of grain as estimated by the Federal Bureau of Statistics. The total was the enormous sum of \$10,278,465,000. The value of the wheat production alone was \$6,943,528,000. That calculation, to me, was most impressive, and gives in a graphic way an idea of the vast debt this Dominion of Canada owes to the farmers in these three western provinces, who have been such prolific producers of wealth. Yet how little these producers have shared in the wealth resultant from the work of their hands and brains! I know from my own experience, and that of my neighbors, and also that of the hundreds of farmers I have encountered, and the farm homes I have visited in my travels the length and breadth of Alberta, that farmers as a class have not participated to the extent they should have in the total wealth they have created. In Alberta alone, from 1910 to 1936, the total wealth production in the way of grain was over two billion dollars, and yet our standard of living has never been high, and it has been progressively lowering from one level to another during the past six years. To my mind the contribution the western grain producers have made towards the building up of all of Canada is worthy of special consideration on the part of governments, municipalities and every other interest in this Dominion.

We cannot help but notice that almost every other important class in our national life is well organized and active in taking steps to better its lot. We see strong trades unions quite successful in obtaining better returns for the labor of their members. But we farmers, who are a poorly organized mass of people, have a constant struggle to try to work out our own economic destiny. Yet we are the most important wealth producers of all. I hope this condition will not always continue.

We want better living conditions. We are looking to this Commission to give a strong lead in suggesting ways and means through which the western grain producer will have a greater measure of security and a better standard of living. It has been recounted that some thirteen investigations into grain marketing have been held in Western Canada since 1887. I am prepared to support one hundred investigations provided the lot of agriculture may be improved. The main thing that I see is, not the interests of transportation companies, elevator companies, lake or sea ports, towns or cities, but a little more consideration to the welfare of the men and women who actually produce the wealth. That must be brought about if agriculture is to continue to occupy the important place it does in Canada's economy, and if agriculture goes down, what is to take its place?

As far back as I can remember we have been obsessed with farm productivity. Governments, both federal and provincial, have concentrated the efforts of their departments of agriculture towards greater production. Universities, railways, banks and other organizations created departments for a similar purpose, but never to my way of thinking has proper care and attention been given to the very important problem of marketing. Here let me pay my tribute to those scientific geniuses who aided us with better varieties of wheat. But even these created problems for us for the matter of marketing was always considered secondary. That condition should no longer be permitted to prevail. Marketing should be a matter of primary concern to everybody.

We have tried in various ways to improve our condition. For years we thought that lower tariffs were the answer because such would lower our costs of production and aid us in obtaining markets. But our general experience has been that there is very little hope of obtaining tariffs in Canada low enough to give us any material assistance in this respect. Certainly all our efforts over the years towards gaining this objective have been exceedingly disappointing. With the enormous development in industrial life in Canada, much of which has been built up on the basis of the vast production of agricultural wealth in the west, there seems little likelihood of anything substantial ever being gained for agriculture in the way of reduction or elimination of tariffs against imported goods.

A few years after the discontinuance of the 1919-20 Wheat Board, the Wheat Pools of the three western provinces were started as business enterprises calculated to give individual producers greater power in the marketing of their products. Actually they were a spontaneous growth built upon long years of unsatisfactory experience with the existing system of marketing. I do not believe their development can be attributed to any one man or any small group of men. They embody the ideals of a large percentage of the grain producers. They sprang from the soil and we have tried to keep them as close as possible to the soil. For that reason they were built up on democratic lines. Our province is divided into districts and sub-districts and delegates are elected by the members. The delegates in turn elect the directors. The directors are responsible for the operation of the organization.

Once a year the delegates meet in annual convention. At these conventions the business of the organization is explained. I doubt if there are any other annual meetings in the entire Dominion at which the affairs of the business under review are so thoroughly gone into as at the general meeting of the Wheat Pool delegates. The directors make it a point to supply information to even the smallest detail. Delegates thus get a most thorough insight into the business and an idea of the general policies followed, and are able to take the information home with them and disseminate it throughout their districts. We have thus built up an educational feature which has been instructive and valuable. The Pools have also gained the confidence of the people to a marked degree. I think they have been and are a valuable influence in the life of the grain producers of the west and organizations competent to express the views of these people.

I am not going to discuss in detail our accomplishments or our mistakes.

Any mistakes made were not greater comparably than the mistakes of many of the keenest business brains of Canada and of the world, as evidenced by the weakening, and in many cases, the disintegration of many great business institutions with generations of experience behind them. I am proud today of the fact that the Pools faced the crisis in the way they did. We stood for what we thought was right and in spite of the heavy financial losses sustained, which are now being met with fortitude and courage and will ultimately be repaid, I am convinced that the Pools could have taken no other course and held the respect and approval of the bulk of their membership.

As we see the steps that have been undertaken by the governments of other countries to aid their farmers we are convinced that what we did was right. But we do discern a new attitude towards agriculture in many great countries today, and possibly our efforts were not altogether in vain.

The Wheat Pool believes that the welfare of the western grain producers requires more than the facilities provided by the open grain marketing system. In that stand I believe they have the support of a majority of the grain producers of the west. I am convinced that insecurity and loss will be the lot of grain producers just so long as they must depend exclusively on the speculative system of grain marketing. It seems to me that the enormous risk of that whole structure rests on the backs of the farmers in those western provinces and it is too great a burden for them to bear. We have seen grain prices descend to unheard of depths. I don't believe anyone outside of the actual farmers themselves can appreciate the hardship and despair brought about by such low levels, the plunging into debt of farm families, the blighting of their hopes and general breaking down of all they had built up. Having experienced all this myself, along with my neighbors and only too many thousands of western farmers, I assure you I can speak feelingly of it. The wonder to me is that farm families have borne up with the fortitude they have.

We, the wealth producers of the west, want better treatment. We have to work hard and want to get paid fair wages. We don't want to depend on an immense gambling institution for the returns we get from year to year. We notice that other classes discreetly avoid having their own financial returns measured on such a basis, and we think they are justified.

We have visions of wheat glutts again happening and think that some intelligent plan can be devised so that the very productivity of our people is not used as a penalty against them. We think a Federal Wheat Board would be a great aid to us because the resources and intelligence of the nation then could be utilized to the fullest extent to aid us in our marketing problems and prevent price collapses such as we have experienced.

I believe a Wheat Board, organized for the explicit purpose of selling our product, and utilizing every possible means of accomplishing that end, can be of invaluable service to us. I think such a Board could set up statistical services, appoint representatives in importing countries, and explore new avenues to find new markets and new uses for wheat. I think that a nominal sum could be charged against each bushel of the wheat handled to provide funds for research into the question of new uses for wheat. It is a matter of great importance that huge world surpluses should not again accumulate to beat down prices and impoverish our wheat producers. The past six years of misery and poverty will never be forgotten in Western Canada.

I am much impressed with the possibilities for research work in finding new uses for wheat, and also to find out if there are any other crops that could be grown that might replace wheat to advantage, especially in our northern areas. I have in mind what has been done with soy beans and what Dr. Carver of Alabama, negro chemical wizard, has accomplished to overcome surpluses of farm products. When overproduction of sweet potatoes and peanuts almost ruined the farmers of Alabama he set to work to solve the problem. From the peanut Dr. Carver made nearly three hundred useful products, and from the sweet potato more than one hundred products. I think there has never been enough funds made available for this kind of research work in wheat.

I think that a scheme of farm storage should be considered to be introduced in case wheat surpluses should again pile up. The farmer could grow all the wheat he liked, but so long as there was a surplus he would only be allowed to sell his quota,

which would be arrived at on the basis of previous crops raised. The result would be that in years of good crops the farmers would accumulate surpluses on their farms. If such a system had been in force in 1928 most farmers would have had the wheat right on their own farms and would have consumed it there during the crop failures of 1929, 1930 and 1931. Then in 1932, when wheat production was large, surpluses could have been stored on the farms to be used during the subsequent poor crop years, with an enormous saving to the producers and to the governments who had to supply seed and relief. Another good thing that would result from such a system would be that with years of good crops the producers would not continue building up big surpluses on their own farms and the tendency would be for more acreage to be seeded to grass or legumes, thus improving the land. If fibre is not put back into our soil we will soon solve the wheat surplus problem as far as our country is concerned, for a great part of the west will be a desert.

A great deal of our troubles were caused by the uneconomic expansion of wheat acreage in the west as the result of the demand for food during the war. In 1910 the west's wheat acreage was 7,867,300 but in 1918 it had risen to 16,124,000. This too rapid increase got us into a lot of trouble. We wheat growers would have been much better off had we restricted our increases. A great deal of land has been plowed up in the west that should have been left under grass. Farmers are trying to grow wheat in regions where it cannot be done profitably. Much of our expansion in subsequent years was due to the forced immigration and the desire of cities, towns, railways, banks, grain companies, and shipping interests for more business. It was the worst thing that could have happened to the farmers!

We have to have some sort of planning, based on the welfare of the people on the land if we are to make progress. I consider a Wheat Board a very necessary first step. Its job should be to operate exclusively for the producers' benefit.

Your Lordship, I think I have expressed the ideas of the average western farmer in a plain fashion. I am hopeful that the profound study of this problem being undertaken by this Commission will have a beneficial effect and that we will have materially improved conditions as a result.